

action by SACEUR without a fully-conscious decision by the Canadian Government to authorize him to do so. Similarly, our maritime forces in the Atlantic are only "earmarked" for assignment to SACLANT in an emergency. Canadian Government authority must be given before they can be deployed in action.

Given Europe's continuing preoccupation with security, the continued presence of Canadian forces has important political overtones. It is evident that Canada's forces in Europe do not play a critical part in the overall strategic equation. However, as a symbol of the credibility of the North American commitment, they remain very important from a political standpoint. This is particularly true in the case of the Federal Republic of Germany because of its special situation. The other smaller members of the alliance, such as the Netherlands and Norway, who are less than sure about the political consequences or the adequacy of integration of defence arrangements among Europeans, are most anxious to retain intact the United States and Canadian commitment to Europe. The Norwegian Foreign Minister, who was visiting Ottawa last week, expressed his Government's special appreciation for Canada's participation in NATO and for contingency plans we have made to send additional forces to that country as a reinforcement measure in the event of an emergency.

Participation in NATO can also have certain direct benefits for Canadian industry. In the NATO program for satellite communication facilities, in which some significant sums will be expended in the coming years, we have obtained recognition that the bids of Canadian manufacturers for all the projects related to this program will be evaluated free of import taxes and duties. It took some bargaining, of course, and it could eventually be accepted as a principle because governments rather than private agencies were the parties to the arrangements. This is a useful illustration of the special advantages we seek to derive from the security relationship with Europe and the kind of concessions we are given. There is a good deal more in the way of technological "spinoff" for Canada, of course, by way of access to European systems in the space and communications fields.

Other illustrations worth mentioning are the possibilities for co-operation with our European allies in the defence production field, which are currently being pursued on many fronts. There are also many co-operative arrangements with them in the field of training whereby Canada extends the use of Canadian training facilities on a full-recovery basis to Britain and the Netherlands. Others are under discussion. All these bring regional economic benefits to Canada at some base facilities which might otherwise be closed down or remain dormant.

Participation in NATO provides a means of strengthening our relations with the countries of Western Europe. To the extent that most, if not all, of the European members of NATO attach considerable importance to the alliance as a guarantee of their security, Canadian support for and active participation in the political and military activities of the alliance can help create a favourable attitude towards Canada on the part of the individual European governments. This can, in turn, influence the position of the same governments when, as members of the EEC, they are required to take action which could affect Canadian interests. A good example of this interaction was the West German Government's initiative in making a direct reference to Canada's economic interests in the communiqué issued by EEC heads of government last year. This step was prompted, we have good reason to believe, by the importance the Germans continue to attach to maintaining a Canadian presence in Europe.

As you know, Canada is making a special effort to develop a satisfactory